

ATTACHMENT E **GUIDELINES**

Counseling

Recipients will provide counseling to both current and nascent entrepreneurs. An SBDC's counseling clients should be reflective of its area's demographics. SBDCs shall assist small businesses in solving problems concerning operations, manufacturing, engineering, technology exchange and development, personnel administration, marketing, sales, merchandising, finance, accounting, business strategy development, and other disciplines required for small business growth and expansion, innovation, increased productivity, management improvement, and maintaining the industrial base. Fees may not be imposed for counseling.

Co-sponsorship Agreement:

When involving one or more for-profit organization and the SBA as cosponsors, a Co-sponsorship Agreement must be executed by SBA, the SBDC, and all co-sponsors in accordance with SBA's Co-sponsorship SOP 90 75 2.

E-Counseling (Electronic Counseling):

To count E-counseling toward the SBDC's goals, the counseling must be substantive. To receive credit for 30 minutes of counseling, the counselor must spend at least 30 minutes researching and formulating the response. This can include several electronic questions and responses that cumulatively add up to 30 minutes.

SBA Form 641 or an equivalent form that supports SBA's management information database may be completed electronically by the client (see page E-8). In states that accept electronic signatures, it may contain an electronic signature. In states that do not accept electronic signatures, the form must have an original signature. SBA Form 1062 must be completed by the counselor and attached to a paper copy of the electronic question(s) and response(s) and placed in the SBDC's counseling files. Where applicable, electronic versions of SBA Form 1062 may be maintained as part of the file in lieu of a hard copy being attached to the SBA Form 641. A hard copy of SBA Form 1062 may be required at the time of certification and or fiscal examination.

Environmental Assistance:

Any assistance that encourages, supports and enables small businesses to develop, market, and/or adopt environmental technologies (including pollution prevention) to achieve economic growth and environmental compliance. SBDCs are encouraged to consult with appropriate state and/or local providers of environmental technical assistance programs.

Financial Assistance:

SBDCs should work with their SBA District Offices by providing services that increase a small business' access to capital. SBDCs are encouraged to develop linkages with Small Business Investment Companies (SBICs), venture capital firms, Certified Development Companies (CDCs), SBA microlending intermediaries and state and local finance programs.

SBDCs will assist small businesses in such matters as business plan development, financial statement preparation and analysis, cash flow preparation and analysis, source and application of funds. In addition, SBDCs, in cooperation with SBA District Offices, are expected to offer service to new SBA clients and to assist delinquent SBA borrowers who are referred to them by SBA and/or lenders to assist in problem solving, business restructuring, cost analysis, market penetration, and other similar subjects.

Financial Packaging Assistance Guidelines:

SBDCs are encouraged to provide counseling services that increase a small business concern's access to capital, such as business plan development, financial statement preparation and analysis and cash flow preparation and analysis.

SBDCs should help prepare their clients to represent themselves to lending institutions. While SBDCs may attend meetings with lenders to assist clients in preparing financial packages, they may not take a direct role in representing clients in loan negotiations.

SBDCs should inform their clients that counseling assistance or financial packaging assistance does not guarantee receipt of a loan.

Financial Assistance Restrictions:

SBDCs cannot make loans, service loans or make credit decisions regarding the award of loans.

The SBDCs must not take a direct role in representing clients in loan negotiations. They should, however, help prepare their clients to represent themselves to lending institutions and may attend meetings with lenders to assist clients in preparing financial packages.

SBDCs must not advocate, recommend approval, or otherwise attempt in any manner to influence SBA to provide financial assistance to any of its clients.

SBDCs may *not* charge fees for providing assistance for financial packaging.

Information Transfers:

SBDCs will provide information services to SBDC contacts. Information Transfers is defined as any contact stage of answering questions, referrals and use of resources for the provision of information. The contact data will be collected and recorded on **an SBA Form 2226.** These forms will be maintained by each Lead Center and service center and available for review. If the services rendered exceed 30 minutes, the contact may become

a client and the data recorded on the Counseling Report Form (SBA Form 641) or similar program developed form.

International Trade Services:

SBDCs will provide international trade finance and market development assistance to small businesses throughout the SBDC network. Where appropriate and to the extent possible, SBDCs will offer special programs. SBDCs will provide international trade assistance by establishing a separate center at one location, or through selected service locations within the SBDC network, to be designated the title of "International Trade Center," depending on the needs of the small business community and the organizational structure of the SBDC. A list of these centers/locations shall be included with the proposal. Such international trade services will be conducted in conjunction with the SBA representative at the local U.S. Export Assistance Center.

International Trade Center (ITC):

International Trade Centers are specialty centers within the SBDC network dedicated specifically to providing international trade services. Where appropriate, SBDCs will establish ITCs to focus on export assistance to small businesses. ITCs must have a separately designated and full-time director and qualified professional staff. They must have a separate budget within the SBDC and there must be separate international trade related counseling and training milestones established in the SBDC Cooperative Agreement. Separate brochures marketing the SBDC's international services must be developed and distributed.

The International Trade Center will coordinate and use public and private resources to provide assistance to small businesses, and particularly to those small businesses new to exporting, or with export finance packaging needs.

ITCs will provide a broad range of services as appropriate and needed by the small business community, including the following:

- (A) Assist SBA by supporting Export Assistance Centers sponsored by SBA, the Department of Commerce, the Export-Import Bank, and other Federal agencies.
- (B) Assess client's export-related financing needs and assist clients in structuring and compiling necessary documentation, i.e., business plan development, financial statement and analysis, cash flow preparation and analysis, source and application of funds, letters of credit, etc., for export financing, and particularly for SBA's Export Working Capital Program. Develop linkages with local lenders, SBA district export finance officers, Ex-Im Bank personnel and U. S. Export Assistance Center personnel.
- (C) Develop in cooperation with SBA an Export Trade Assistance Partnership (E-TAP) program on an annual basis for new exporters. Create an E-TAP Task Force for its development and cooperation with other appropriate

private and public sector partners to provide counseling and training for this program.

- (D) Develop and conduct seminars on opportunities and procedures involved in exporting, export finance, joint ventures, licensing, ISO 9000 and other International Standards Registration, metric conversion and so forth.
- (E) Identify and analyze client's international trade needs, capabilities and problems, and provide in-depth counseling in international trade techniques, procedures and opportunities.
- (F) Use services available through the Federal Bar Association/SBA Agreement to assist in the resolution of client's international trade/legal problems, the Export Legal Assistance Network (E-LAN).
- (H) Assist SBA in promoting and recruiting participants for SBA cosponsored events including those with the Department of Commerce, the Overseas Private Investment Corporation, the Agency for International Development, and the Export-Import Bank.
- (I) Assist SBA in the dissemination and marketing of information on trade promotion, trade finance, trade adjustment, and trade remedy assistance.

Manufacturing Assistance:

Many SBDCs partner with the Department of Commerce, National Institute of Standards and Technology's Manufacturing Extension Partnerships (MEPs) to provide specialized services to small manufacturers. Through this partnership, a small manufacturer can receive business management assistance from the SBDC and engineering assistance from the MEPs. Most SBDCs and MEPs view the partnership as significant.

All SBDCs that are partnering with the NIST MEPs are encouraged to continue this valuable assistance to small business manufacturers. SBDCs without a working partnership with the NIST MEPs may wish to pursue one. The nature of any participation with MEPs must be reported in the semi-annual and annual reports to SBA.

Military Base Closings and Reductions-in-Force:

In those states where base closing or realignments will occur, the SBDC must provide a full range of business development and technical assistance services in the affected areas. These services should be specifically designed to meet the particular small business needs that arise as these closings and realignments occur, including services specifically targeted toward existing and former military personnel.

The SBDC may be requested by SBA to provide technical and management assistance to Defense Loan and Technical Assistance Program (DELTA) clients. The DELTA Program targets firms adversely affected by defense reductions, helping them make the transition to commercial markets.

Minority Enterprise Development:

SBDCs should work with their SBA District Offices to provide training and counseling to firms in all stages of the 8(a) Program. Each SBDC must make all of its economic development and technical assistance services available to 8(a) firms in all stages, other minority business owners and prospective minority business owners. SBDCs are encouraged to make special efforts to assist SBA's Minority Enterprise Development 8(a) Program. These efforts include community-based seminars and workshops concerning the SBA's 8(a) Program application process.

SBDCs should inform their 8(a) clients that counseling assistance does not guarantee receipt of a contract.

Native American Assistance:

Each SBDC must make its economic development and technical assistance services available to Native Americans. Local initiatives for Native Americans shall be supported when appropriate and to the extent possible, by the appropriate SBDC where it is determined that this assistance is needed. Where appropriate, SBDCs shall provide support to initiatives of SBA's Office of Native American Affairs.

Procurement Assistance:

SBDCs are encouraged to provide services that provide basic information needed by small business concerns interested in procurement opportunities in the Government arena. These services should include, but not be limited to:

- (A) providing information on Government buying methods;
- (B) identifying the role of SBA Area Directors for Government Contracting located in SBA field offices and Procurement Center Representatives (PCRs) located at Federal Government purchasing activities;
- (C) educating small businesses about the Federal government's move toward doing business by Electronic Data Interchange, marketing techniques, placement on agency bidders' lists and SBA's Procurement Marketing and Access Network (PRO-Net);
- (D) preparation of bids and proposals;
- (E) identifying subcontracting opportunities;
- (F) providing counseling and referral information concerning bidders' rights and obligations, appeal procedures, termination and default actions, and size criteria (business advice, not legal advice);
- (G) providing assistance on contractual, financial and contract administration issues;

- (H) developing and/or maintaining computerized systems that identify Federal, state and local procurement opportunities; and
- (I) assist eligible small business firms in the completion and submission of the HUBZONE Empowerment Contracting Program electronic application.

Rural Development:

SBDC applicants must make a full range of business development and technical assistance services available to small businesses located in rural areas. These services will be designed to increase rural small business participation in exporting, government procurement, tourism, access to credit, incubators, innovation and technology and other small business programs.

SBDC State/Region Director:

The SBDC State/Region (in Texas and California) Director, must be a full-time (100%) senior manager who shall direct and monitor the program activities and financial affairs of the SBDC network to deliver effective services to the small business community, ensure the SBDC's compliance with applicable laws, regulations, OMB circulars and Executive Orders as well as implement the Cooperative Agreement. The SBDC State/Region Director has the responsibility for negotiating the annual Cooperative Agreement with SBA, keeping in mind that national, state and local needs are to be addressed. The director has authority to control expenditures under the lead center's budget. SBDC State/Region Directors may manage other programs in addition to the SBDC program if the programs serve small businesses and do not duplicate the services provided by the SBDC network. However, directors may not receive additional compensation for managing these programs. The SBDC State/Region Director shall serve as the principal contact point for all matters involving the SBDC network.

SBTDC Designation

An SBDC seeking designation as a Small Business and Technology Development Center must submit an application for such designation to the Certification Committee of the Association of Small Business Development Centers (ASBDC). Each applicant will be expected to fully address the strategic role to be played in its state/region, the programs and services to be offered, and the resources committed to technology-related management and technical assistance. Upon completion of its review of each application, the ASBDC will forward the applications along with its comments to the AA/SBDCs for approval or disapproval.

SBDC Program Organization and Terminology:

The specific identification "Small Business Development Center" or "Small Business and Technology Development Center" shall be a part of the name of every SBDC organization within the SBDC network. [Note: Existing Alabama and Nebraska SBDCs are exempt from this requirement.] No other name designations or variations will be accepted. SBDCs will have two years from promulgation of

revised SBDC regulations (currently in progress) in which to make a necessary name change. An SBDC proposing to use the identification “Small Business and Technology Development Center” must follow the procedures set forth in Attachment E, Section B, Guidelines, and have the advance written approval of the AA/SBDCs. The state (or regional in Texas and California) SBDC organization is referred to as the “Lead” SBDC which manages and administers the statewide (region wide) comprehensive small business assistance network, consisting of the lead center and its service centers. This network is part of the national SBDC program network. The Cooperative Agreement dictates the terms of agreement between the SBA and the Lead SBDC recipient organization.

Surety Bond Guarantee Assistance:

SBDCs are encouraged to educate their resources and small business contractors about the Surety Bond Guarantee (SBG) Program. This includes making available program information at counseling and training sessions and at business, professional and trade association meetings. SBDCs should develop an outreach program and actively promote the SBG program to special emphasis contractors. SBDCs should refer small business contractors to the SBG specialist in one of the four **SBG Area Offices (Philadelphia, Atlanta, Denver and Seattle)** for detailed information about the program. In addition, the Office of Surety Guarantees in SBA Headquarters has a power point presentation available. An SBDC should contact 202/205-6540, if interested in using it.

Many contractors are able to leave the program and obtain bonding on their own while others remain in the program for several years. One reason small contractors continue in the program is that they lack management expertise and have ongoing cash flow problems. SBDCs are encouraged to work with the SBG specialist in the appropriate area office to identify such contractors and give them the needed business management assistance. Among other areas, this may include business plan development, cash flow preparation and analysis, bid preparation, marketing, and financial statement preparation and analysis.

Technical Assistance:

The Lead SBDC must make technical assistance available to small businesses. Technical assistance includes, but is not limited to: access to published technical information; eCommerce training, access to technical consultants; energy audits and conservation plans; product analysis and improvement; new product development; plant layout; assisting inventors and high technology firms to research, develop and market their ideas and inventions; assisting non-technological firms to gain access to existing technologies; solution of manufacturing or operations problems (using "Just-in-Time" computer aided manufacturing and computer aided design where appropriate); SBIR-related assistance; facilitating the transfer of technology and technical data from federal and university laboratories; assisting competitive positioning through total quality management (TQM), information technology, pollution prevention and other environmental assistance; and conducting economic studies and projects.

Training:

Applicants will provide quality training designed to improve the skills and knowledge of existing and prospective small business owners/managers throughout the SBDC network. Where appropriate, SBDCs are encouraged to utilize educational technology such as computer-based instruction, distance learning initiatives, video tapes and other electronic mediums to enhance the distribution and quality of educational services.

Training generated by SBDCs must be coordinated with the SBA Project Officer to avoid duplication with training efforts offered by other local organizations and SBA. In addition, all training materials developed in an electronic format shall be made available to the SBDC project officer, SBDC Clearinghouse and all SBA resources. SBDCs may charge reasonable fees to cover program costs associated with this training. These fees are considered program income and shall be used to expand services and further SBDC program objectives.

An SBDC training workshop or seminar is defined as an activity or event in which a counselor from a resource partner, district office personnel, or a third party actively delivers a structured program of knowledge, information or experience on a business-related subject. There must be one or more attendees. A training course must last a total of an hour or more to be counted as training. Training courses lasting less than one hour are to be counted and reported as information transfers. Courses with multiple sessions count as one course. An agenda, attendee list, and evaluation must be kept in the file. The SBDC must use SBA Form 888 to document and report SBDC training activities. SBA's management information system collects both the number of sessions and hours for the course.

SBDC Cosponsored Training:

Recipients are encouraged to enter into cosponsored training arrangements with the private sector and other organizations to extend outreach and productivity. (Cooperation between members of the SBDC network; i.e., lead center with service centers or other organizations funded through the Cooperative Agreement with SBA is not considered a cosponsorship).

In order for an SBDC to receive credit for a cosponsored training event, it must actively participate (i.e., provide speakers, materials, publicity) with the organization assuming primary responsibility for financing the training session. Final responsibility for the quality of the training rests with the SBDC. When reporting training numbers for a training session cosponsored by the SBDC and another SBA resource partner (e.g., WBC, SCORE), the sponsors must work together to determine how to equitably divide the number of clients among themselves. There will not be any double counting, so the number that they partners report must equal the total number of attendees at the event. If more than one resource partner is present at a conference where there are breakout session given individually by the resource partners, then each resource partner can count any attendees participating in their breakout sessions as long as there is a sign-in sheet, an evaluation, and an SBA Form 888 prepared.

For all cosponsored training where there will be a distribution of receipts in whole or in part to the cosponsor, the training file for the activity must document clearly the role and responsibility of the SBDC and each participant receiving a share of the receipts. How the receipts were distributed must also be documented in the training file.

SBDCs are reminded that income received by the SBDC network for all co-sponsored programs cannot be used for match funding and should be used to further support the SBDC.

Veteran and Service-Connected Disabled Veteran Business Ownership:

Each SBDC will make available all of its economic development and technical assistance services to veterans, including service-connected disabled veterans and their immediate families as well as Reservists and National Guard members called to active duty. Both national and local initiatives for veterans shall be supported by the appropriate SBDC as needed. Each SBDC network will establish a minimum of one Veteran Entrepreneurial Training (VET) Program for veterans, service-connected disabled veterans, Reservists and National Guard members as well as active duty military personnel who are pending discharge. The program may include feasibility and marketing studies, preparation of business plans and loan packages, and formation of support groups to provide follow-up and encouragement to participants.

The SBDC may be requested by SBA to provide specific training and counseling with respect to business opportunities or government contracting, in connection with a local base closing.

SBDCs should approach their State National Guard Adjutant General, and all units of the Military Reserves to identify Reservists and National Guard members who are operators of small businesses; are otherwise self-employed, or are essential employees in small businesses, and who have been or may be mobilized pursuant to Title 10 U.S.C. for active duty. SBDCs should offer and provide business interruption counseling and training as needed to minimize adverse financial and operational problems. Such counseling could include, but is not limited to the offering advice on the best feasible means of winding up of business operations and the utilization of Federal and State laws, (including the Soldiers and Sailors Relief Act), enacted to protect small business persons who are subject to mobilization to active duty. Additionally, business assistance for self employed Reserve and National Guard members following their release from active duty will be critical to mitigate expenses, secure legal assistance, engage in significant marketing efforts and otherwise minimize the negative effects of the member's mobilization on their small business or practice.

Each SBDC will undertake an initiative to identify veterans on its staff. Each SBDC should also encourage development of a veterans' business network and perhaps convene a local summit for veteran business owners and service-connected disabled veterans business owners as well as Reservists and National Guard members who are subject to be called to active duty. Each SBDC will contact its local VA regional office and link its veterans' business network to VA Vocational Rehabilitation Counselors.

Additionally, each SBDC should endeavor to raise the level of awareness to its audiences at small business seminars, conferences and outreach program announcements about the needs of veterans and service-connected disabled veterans. SBDCs also should strive to develop close working relationships with their respective State Department of Veterans Affairs to explore collaborative outreach and referrals.

Women's Business Ownership:

Each SBDC will make available all of its economic development and technical assistance services to women business owners and prospective women business owners. Both national and local initiatives for women business ownership shall be supported by the appropriate SBDC where it is determined that this assistance is needed. Further, SBDCs will provide support for, coordination with, and referrals to the Women's Network for Entrepreneurial Training (WNET) mentoring program, and the Women's Business Centers (WBC). The SBDCs should develop training programs to help women prepare for the global marketplace.